GOVERNMENT OF INDIA
HEAVY INDUSTRIES AND PUBLIC ENTERPRISES
LOK SABHA

UNSTARRED QUESTION NO:2287
ANSWERED ON:06.03.2003
REHABILITATION OF SICK PSUs
VINAY KUMAR SORAKE

Will the Minister of HEAVY INDUSTRIES AND PUBLIC ENTERPRISES be pleased to state:

(a) whether the Government have plans to take the sick PSUs out of the purview of the Board for Industrial and Financial Reconstruction (BIFR) to enable their liquidity and faster rehabilitation;

(b) if so, whether under the proposed Company Law Amendment the BIFR would be scrapped; and

(c) if so, the quantum of liability of outstandings of potentially sick PSUs?

Answer

MINISTER OF HEAVY INDUSTRIES AND PUBLIC ENTERPRISES(SHRI BALASAHEB VIKHE PATIL)

(a) & (b) : The proposed setting up of National Company Law Tribunal (NCLT), as envisaged in the Companies (Second Amendment) Act, 2002, takes the sick PSUs out of the purview of BIFR in the sense that PSUs will be able to approach only NCLT for rehabilitation once the relevant provisions in this regard are notified, after the Sick Industries Companies Act, 1985 (SICA) is repealed.

(c) : The total outstandings with the CPSUs registered with BIFR as on 31.12.2002, in terms of outstanding statutory dues and outstanding salary and wages were Rs. 1627.62 crores as on 30.6.2002.